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*Attorneys for Debtors and
 Debtors in Possession*

*Attorneys for Debtors and
 Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT
 FOR THE DISTRICT OF NEVADA**

In re:

SPECIALTY TRUST, INC., et al.¹

- ☐ Affects this Debtor
- ☒ Affects all Debtors
- ☐ Affects Specialty Acquisition Corp.
- ☐ Affects SAC II
- ☐ Affects SAC D-1, LLC

Chapter 11

**Jointly Administered under
 Case No. 10-51432-GWZ**

Case Nos.:
 10-51432
 10-51437
 10-51440
 10-51441

**NOTICE OF TWELFTH MONTHLY
 INTERIM FEE AND EXPENSE STATEMENT
 FOR THE PERIOD OF MARCH 1, 2011
 THROUGH MARCH 31, 2011 OF
 PACHULSKI STANG ZIEHL & JONES LLP,
 GENERAL BANKRUPTCY COUNSEL TO
 THE DEBTORS AND DEBTORS IN
 POSSESSION**

Total Fees:	\$74,232.50
80% of Fees:	\$59,386.00
Total Expenses:	\$1,409.82

**Total Fees and Expenses
 Requested on an Interim Basis: \$60,795.82**

PLEASE TAKE NOTICE that, pursuant to sections 330 and 331 of title 11 of the United

¹ The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, if applicable, are: Specialty Trust, Inc. (2463); Specialty Acquisition Corp. (3680); SAC II (2463); and SAC D-1, LLC (1858).

States Code (the “Bankruptcy Code”), Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and this Court’s *Order Pursuant to 11 U.S.C. §§ 105(a) and 331, Fed. R. Bankr. P. 2016 Authorizing and Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals entered on June 17, 2010* [Docket #217] (the “Compensation Order”), Pachulski Stang Ziehl & Jones LLP (“PSZ&J”), general bankruptcy counsel for the above-captioned debtors and debtors in possession (the “Debtors”), hereby files this Notice of Twelfth Monthly Interim Fee Application for the Period of March 1, 2011 through March 31, 2011 (the “Twelfth Monthly Fee and Expense Statement Notice”) seeking interim payment of fees and expenses incurred by PSZ&J as bankruptcy counsel to the Debtors during the period from March 1, 2011 through March 31, 2011 (the “Twelfth Monthly Fee and Expense Period”).

PLEASE TAKE FURTHER NOTICE that a copy of PSZ&J’s statement of fees and expenses for the Twelfth Monthly Fee and Expense Period (the “Twelfth Monthly Fee and Expense Statement”), attached hereto as Exhibit A, has been served on the Notice Parties (as defined pursuant to the Compensation Order);

PLEASE TAKE FURTHER NOTICE that pursuant to the Compensation Order PSZ&J seeks interim payment of 80% of the fees and 100% of the expenses incurred during the Twelfth Monthly Fee and Expense Period, as follows:

Total Fees:	\$74,232.50
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80% of Fees:	\$59,386.00
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Total Expenses:	\$1,409.82
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Total fees and expenses requested on an interim basis: \$60,795.82

PLEASE TAKE FURTHER NOTICE that the amounts set forth above for compensation are net of approximately \$1,784.00 of voluntary write offs based on PSZ&J’s belief that it was appropriate to reduce its requested fees, and further, that PSZ&J reduced its fees related to non-working travel time by 50%.

PLEASE TAKE FURTHER NOTICE that PSZ&J will request payment of such amounts

from the Debtors subject to current restrictions under the cash collateral order and to the provisions of the Compensation Order.

PLEASE TAKE FURTHER NOTICE that pursuant to the Compensation Order, any objection to the Twelfth Monthly Fee and Expense Statement must be in writing and served on or before twenty-one days (21) days after service, or no later than June 17, 2011 (the "Objection Deadline"). Any such objection must be served on PSZ&J and each of the Notice Parties so that the objection is received by those parties on or before the Objection Deadline.

PLEASE TAKE FURTHER NOTICE that the filing of the Twelfth Monthly Fee and Expense Statement and the delivery of same to the Notice Parties is not intended to be, and should not be construed as, an express or implied waiver by PSZ&J of any of its procedural and/or substantive rights and remedies under the terms of the *Order on Application of Debtors and Debtors in Possession to Employ Pachulski Stang Ziehl & Jones LLP as General Bankruptcy Counsel*, the Compensation Order, the Bankruptcy Code, the applicable Bankruptcy Rules, the Local Rules of Bankruptcy Practice of the United States Bankruptcy Court for the District of Nevada pursuant to LR 1001(a), and the Region 17 United States Trustee Guidelines (the "Guidelines") to amend, modify, revise, supplement or otherwise make changes to the Twelfth Monthly Fee and Expense Statement at any time prior to the time when PSZ&J seeks allowance and payment of the fees reimbursement of the expenses set forth herein either on an interim or final basis. To the contrary, all such rights and remedies are expressly reserved.

Dated: May 27, 2011

PACHULSKI STANG ZIEHL & JONES LLP

By /s/ Ira D. Kharasch

Ira D. Kharasch (CA Bar No. 109084)

Scotta E. McFarland (CA Bar No. 165391)

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Attorneys for Debtors and Debtors in Possession

EXHIBIT A

EXHIBIT A

PACHULSKI STANG ZIEHL & JONES LLP

10100 Santa Monica Boulevard
 11th Floor
 Los Angeles, CA 90067

March 31, 2011

Invoice Number **94463** **80662 00002** **IDK**

Specialty Trust
 6160 Plumas Street
 Reno, NV 89519

Balance forward as of last invoice, dated: February 28, 2011	\$316,365.81
A/R Adjustments	-\$78,076.82
Net balance forward	<u>\$238,288.99</u>

Re: Post-Petition

Statement of Professional Services Rendered Through**03/31/2011**

			Hours	Rate	Amount
	Bankruptcy Litigation [L430]				
03/01/11	EMB	Email exchange with I. Kharasch re hearings on budget motion and on City National Bank motion for relief.	0.20	695.00	\$139.00
03/01/11	EMB	Email exchanges (2) with legal assistant and V. Newmark re status of oppositions / reply on budget motion and City National Bank motion for relief from stay, and further exchange with V. Newmark re possible resolutions concerning same.	0.20	695.00	\$139.00
03/01/11	EMB	Review email from V. Newmark to counsel for City National Bank re stipulation concerning limited relief from stay regarding Waterfront, and response of City National Bank counsel re same.	0.20	695.00	\$139.00
03/01/11	VAN	Phone conferences (2x) with John Murtha regarding CNB relief from stay motion & hearing.	0.40	625.00	\$250.00
03/02/11	EMB	Participate in telephonic appearance on motion to amend budget and motion for relief from stay filed by City National Bank.	0.80	695.00	\$556.00
03/02/11	EMB	Email J. Murtha re orders on City National Bank motion	0.10	695.00	\$69.50
03/02/11	IDK	Attend hearing on 3 motions and meet at court house afterwards with client.	1.70	825.00	\$1,402.50
03/02/11	IDK	E-mails with Northlight and D. Gardiner and others re further information on its due diligence costs and cash collateral hearing today (.2).	0.20	825.00	\$165.00
03/02/11	IDK	E-mails with counsel for sub debt re today's hearing (.2); E-mail to counsel for DB summarizing CNB settlement and next steps re possible deed in lieu and consider (.2).	0.40	825.00	\$330.00

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03/02/11	IDK	Prepare for today's hearing, CNB motion for relief, exclusivity and especially cash collateral motion to prepare for court's possible issues and determine whether we need to orally amend budget today for more due diligence fees to Northlight (1.4); Numerous e-mails with Northlight counsel, Imperial, client re how much more cost to Northlight due diligence for exit and how much already paid and authorized (.4); Telephone conferences with D. Gardiner and CFO re same (.2); E-mails with T. Newmark re same on prior cash collateral order (.3); Review budget for prior cash collateral order (.2); E-mails with S. Armstrong re today's hearing and coordinate and informing court re settlement (.3).	2.80	825.00	\$2,310.00
03/03/11	EMB	Email exchanges (3) with V. Newmark re comments to draft order in re City National Bank motion for relief from stay	0.30	695.00	\$208.50
03/03/11	VAN	Revise CNB order on CNB relief from stay motion	0.30	625.00	\$187.50
03/04/11	EMB	Review email exchange between City National Bank counsel and V. Newmark re revisions to order in re City National Bank motion for relief from stay.	0.20	695.00	\$139.00
03/10/11	EMB	Review email from Murtha with proposed final form of Order in re City National Bank motion for relief from stay.	0.10	695.00	\$69.50
03/10/11	IDK	Review briefly Wells Fargo motion to dismiss in Gonzales action (.2); E-mails with S. Armstrong re need for memo on posture case (.1).	0.30	825.00	\$247.50
03/21/11	EMB	Review and respond to inquiries from recipients of litigation hold letters, and email V. Newmark re same.	0.50	695.00	\$347.50
03/31/11	IDK	E-mails with committee counsel re her demand to start litigation against US Bank and response of CRO and consider whether DB gets all benefit.	0.30	825.00	\$247.50

Task Code Total**9.00****\$6,947.00****Case Administration [B110]**

03/08/11	PJJ	Update critical dates memo and circulate.	0.30	235.00	\$70.50
03/14/11	PJJ	Update critical dates memo and circulate.	0.20	235.00	\$47.00
03/21/11	PJJ	Update critical dates memo and circulate.	0.30	235.00	\$70.50
03/28/11	PJJ	Update critical dates memo and circulate.	0.30	235.00	\$70.50

Task Code Total**1.10****\$258.50****Claims Admin/Objections[B310]**

03/08/11	EMB	Telephone conference with N. Gonfiantini re contact from VFF Financing.	0.20	695.00	\$139.00
03/08/11	EMB	Email exchanges with I. Kharasch and V. Newmark re VFF Financing.	0.30	695.00	\$208.50
03/09/11	VAN	Phone conference with Sallie Armstrong and Ira Kharasch regarding GE	0.30	625.00	\$187.50

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03/09/11	VAN	Phone conference with E. Estrada, GE counsel, regarding status of case	0.30	625.00	\$187.50
03/09/11	VAN	Draft memo to Sallie Armstrong and Ira Kharasch regarding communication with GE counsel	0.30	625.00	\$187.50
03/21/11	IDK	E-mails with T. Newmark re Taberna request re DB lien analysis and review her correspondence with Taberna re same.	0.30	825.00	\$247.50
03/31/11	IDK	E-mails with T. Newmark re DB limited rights over Taberna as resale re subordination agreement.	0.20	825.00	\$165.00

Task Code Total**1.90****\$1,322.50****Compensation Prof. [B160]**

03/30/11	IDK	Review and revise January prebill.	0.60	825.00	\$495.00
03/31/11	IDK	Prep of January notice of fee application (.3); E-mail with S. Armstrong re same (.1).	0.40	825.00	\$330.00

Task Code Total**1.00****\$825.00****Financial Filings [B110]**

03/15/11	SEM	Review and comment on MORs for February	0.80	575.00	\$460.00
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Task Code Total**0.80****\$460.00****Financing [B230]**

03/07/11	IDK	E-mails with lenders' counsels re missing weekly cash reports and review client's copies of same and problem in week of 2/7/11 and send copies to lenders.	0.40	825.00	\$330.00
03/08/11	IDK	E-mails with Imperial re upcoming call with McFarland team and calendar and prepare re issues (.2); Attend call re same with McFarland team and Imperial re potential second DIP and exit and consider (.5).	0.70	825.00	\$577.50
03/10/11	EMB	Email exchange with S. McFarland re status of confidentiality agreements.	0.20	695.00	\$139.00
03/11/11	IDK	E-mail lenders re weekly report and review same.	0.20	825.00	\$165.00
03/22/11	IDK	E-mails with T. Newmark re cash collateral order and Nadador budget issues.	0.20	825.00	\$165.00

Task Code Total**1.70****\$1,376.50****General Business Advice [B410]**

03/01/11	IDK	E-mails with Imperial and McFarlan re its status on	0.60	825.00	\$495.00
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		potential term sheet and consider impact of Northlight and timing (.2); E-mails and telephone conferences with subdebt counsel re status, tomorrow's hearing and Northlight (.4).			
03/01/11	IDK	E-mails with E. Bender re FTI work product and DB delay and next steps (.2); E-mails with E. Bender re status of hearings tomorrow and her role (.2).	0.40	825.00	\$330.00
03/02/11	IDK	Meet at S. Armstrong's office and at airport after hearing with CRO and sub debt counsel re case issues and next steps.	1.40	825.00	\$1,155.00
03/02/11	IDK	Meet with CRO prior to hearing today and discuss general case issues and outstanding Plan and Disclosure Statement issues and timing (1.1); E-mails with E. Bender re status of getting FTI information to DB and its delay and reasons (.2); E-mails with sub debt counsel re same (.1).	1.40	825.00	\$1,155.00
03/07/11	IDK	E-mail with client re upcoming weekly call and prepare agenda re same (.2); Attend same on general issues (.5); E-mails with N. Gonfiantini re correspondence with shareholder not on committee to committee members and review same (.2).	0.90	825.00	\$742.50
03/08/11	IDK	E-mail client group re inquiries to shareholders and need for new letter to all shareholders and website (.2); E-mails with attorneys re VFF desire for information and Debtor and its lawsuit against N. Gonfiantini and SFC re plane deficiency and its interest in Debtor (.3).	0.50	825.00	\$412.50
03/09/11	IDK	E-mails with S. Armstrong, T. Newmark re S. Armstrong's desire for call re GE update and impact of SFC chapter 11 and coordinate call (.2); Attend conference call with S. Armstrong and T. Newmark re same (.3); E-mail T. Newmark re summary of call with GE (.1).	0.60	825.00	\$495.00
03/10/11	IDK	E-mails and office conference with E. Bender re K. Thomas correspondence today re litigation hold letters and need for E. Bender to respond (.2); E-mails with T. Newmark re status of cash collateral and exclusivity order (.2); E-mails with K. Thomas re her general questions and forward Nadador demand letters (.2); E-mails with CRO re status in general (.2); E-mails with Imperial and McFadden re timing of its term sheet and status (.2).	1.00	825.00	\$825.00
03/11/11	IDK	E-mails with Imperial re result of sub-debt call (.2); E-mails with client, others, re status and costs and litigation hold (.2).	0.40	825.00	\$330.00
03/11/11	IDK	E-mails to subdebt group, CRO and Imperial re today's call and coordinate (.2); Prepare agenda re same (.2); Attend conference call re same and general case status (.6).	1.00	825.00	\$825.00
03/14/11	IDK	E-mails with debtor re upcoming call today and prepare agenda (.2); Attend weekly call with client group (.5); E-mails with CRO re case status re plan (.2); E-mails with S. Armstrong re status and order (.2).	1.10	825.00	\$907.50
03/15/11	IDK	E-mails with client, Imperial re status re McFarland and its decision to pass (.2); E-mails with attorneys and S. Armstrong re status of orders and with client re need for updated budget re Nadador (.2); E-mails and telephone conferences with N. Gonfiantini re status re case and plan (.3).	0.70	825.00	\$577.50
03/21/11	IDK	E-mail client re today's upcoming weekly call and prepare	1.30	825.00	\$1,072.50

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		agenda (.2); Attend weekly call with client on case issues and plan (.6); Emails with Taberna group and CRO re Taberna request to reschedule call and coordinate same (.3); E-mails with S. Armstrong re weekly call and summary (.2).			
03/22/11	IDK	E-mails with client re its summary of yesterday's call (.1); E-mails and telephone conferences with Imperial re cash flow issues and next steps and Northlight issues (.3).	0.40	825.00	\$330.00
03/22/11	IDK	Telephone conferences with Taberna counsel re upcoming group call and issues (.2); Attend conference call with Taberna group on case status and plan (.4); E-mail with Imperial and client re potential new DIP exit lender and brief review of term sheet (.4); Attend conference call with Imperial and N. Gonfiantini re same and next steps (.8); Telephone conferences with N. Gonfiantini re information for his letter to shareholders re case status (.2).	2.00	825.00	\$1,650.00
03/23/11	IDK	E-mails with Imperial and Mountain Funding re need call today or tomorrow with Mountain Funding and agenda and coordinate.	0.30	825.00	\$247.50
03/24/11	IDK	Attend conference call with Mountain Funding business team and with no counsel and N. Gonfiantini and Imperial re case, Sedona, second DIP and Northlight Plan (1.); E-mail with S. Armstrong and new board counsel re case and plan (1).	1.10	825.00	\$907.50
03/24/11	IDK	E-mails with Mountain Funding Group re coordinate call today on its potential loan or exit financing and agenda (.2); Attend conference call with counsels to Mountain Funding re same and case background (.6); Telephone conferences and e-mails with Taberna re case status (.3); E-mails with Imperial re same and Taberna and committee plan (.2).	1.30	825.00	\$1,072.50
03/24/11	IDK	Attend conference call with Northlight team re issues in case and its comments to plan and structure and corporate governance (.7); Attend conference call with CRO and others on status, cash flow issues and problems in case and timing of plan and disclosure statement (.7); Telephone conference with S. Armstrong after call re same (.1).	1.50	825.00	\$1,237.50
03/24/11	IDK	E-mails to client group earlier re coordinate emergency call re cash flow and other issues (.2).	0.20	825.00	\$165.00
03/25/11	IDK	Telephone conferences and e-mails with counsel to Mountain Funding, potential investor, and Imperial on issues re perfection re USB, access to data base, access to other relevant information re due diligence (.5); Telephone conferences with Imperial re same and impact of Northlight and bidding (.2).	0.70	825.00	\$577.50
03/25/11	IDK	E-mail with T. Newmark re potential investor request re USB lien analysis.	0.20	825.00	\$165.00
03/28/11	IDK	Attend weekly conference call with client group and CRO re case status, plans and next steps (.6); E-mails with Mountain Funding re its long list of questions and with Imperial re same and need for call re same (.3); E-mails and telephone conference with M. Bilbao re same (.2).	1.10	825.00	\$907.50
03/30/11	IDK	E-mails with USB and Imperial re coordinate CA for Mountain Funding (.2); E-mails with Northlight re its concerns re notice of shareholder call and review notice re	0.40	825.00	\$330.00

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		same (.2).			
03/30/11	IDK	Attend conference call with Mountain Funding Group, Imperial re Mountain's numerous questions on case and investment issues (1.8); Telephone conferences with Imperial re result of call and e-mails and telephone conferences with USB counsel re same and need for USB cooperation re due diligence (.4); Telephone conference and e-mails with N. Gonfiantini re issues on case and alternatives, potential sales, Nadador (.5).	2.70	825.00	\$2,227.50
03/31/11	IDK	Telephone conferences with N. Gonfiantini re case status, Oasis, Northlight and Mountain Funding (.4); E-mails with client re Northlight issues and concerns on SMC servicing agreement and its structure (.2); E-mails with client, Imperial re issues on liquidity and next steps re same and correspond with committee counsel re same and review and consider.	0.90	825.00	\$742.50

Task Code Total**24.10****\$19,882.50****General Creditors Comm. [B150]**

03/01/11	EMB	Email R. Esterkin re status of agreement re confidentiality agreement.	0.20	695.00	\$139.00
03/01/11	EMB	Email exchanges (2) with S. McFarland and I. Kharasch re confidentiality agreement and status of DB agreement re same.	0.20	695.00	\$139.00
03/01/11	EMB	Email exchange with I. Kharasch re status of DB agreement to terms of confidentiality agreement. Email exchange with I. Kharasch re status of DB agreement to terms of confidentiality agreement.	0.20	695.00	\$139.00
03/02/11	EMB	Email exchanges (3) with I. Kharasch re confidentiality agreements with Deutsche Bank and with Pankow, counsel for sub debt.	0.20	695.00	\$139.00
03/02/11	EMB	Email Jordan Kroop with latest revisions to confidentiality agreement.	0.10	695.00	\$69.50
03/02/11	EMB	Email S. Farnsworth and M. Bilbao re revisions to confidentiality agreement and review email from M. Bilbao re same.	0.30	695.00	\$208.50
03/02/11	EMB	Prepare further draft / revisions / comments to USB confidentiality agreement	0.50	695.00	\$347.50

Task Code Total**1.70****\$1,181.50****Insurance Coverage**

03/01/11	EMB	Review email and attachments from G. Caudill re letter to carrier regarding D&O claims.	0.10	695.00	\$69.50
03/02/11	IAWN	Review file and then respond to grace letter re directors and officers and notice	0.30	725.00	\$217.50
03/02/11	IAWN	Office conference with Ira D Kharasch re letter and	0.30	725.00	\$217.50

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directors and officers responsibility and role of equity
committee and tail issues

03/07/11	IAWN	Office conference with Ira D. Kharasch re claims made	0.30	725.00	\$217.50
Task Code Total			1.00		\$722.00

Operations [B210]

03/01/11	EMB	Email exchange with L. Rogers re addresses to include on list to receive litigation hold letters.	0.20	695.00	\$139.00
03/01/11	EMB	Email exchange with legal assistant re revised litigation hold letters.	0.20	695.00	\$139.00
03/01/11	EMB	Email K. Thomas re copy of first 55 litigation hold letters re D&O claims.	0.10	695.00	\$69.50
03/01/11	EMB	Finalize litigation hold letters and work on sending litigation hold letters to recipients, with attachments.	1.00	695.00	\$695.00
03/01/11	IDK	E-mails and telephone conference with N. Gonfiantini re Sedona exit financing proposal.	0.20	825.00	\$165.00
03/03/11	EMB	Email exchange with Sallie Armstrong re litigation hold letters and issues concerning Equity Committee demand to copy hard drives.	0.20	695.00	\$139.00
03/03/11	EMB	Multiple emails with several recipients of litigation hold letters re preservation of documents in anticipation of litigation.	0.60	695.00	\$417.00
03/03/11	IDK	E-mails with N. Gonfiantini re Nadador timing and demand for payment and review stipulation to Committee re same.	0.20	825.00	\$165.00
03/04/11	EMB	Email exchanges with Jeff Hartman and K. Thomas re litigation hold letter and preservation of documents.	0.40	695.00	\$278.00
03/07/11	IDK	Review of client's demands on Nadador for repayment and compare with committee stipulation requirements (.2).	0.20	825.00	\$165.00
03/09/11	EMB	Review records of return receipts for litigation hold letters and conference with legal assistant re chart concerning same.	0.50	695.00	\$347.50
03/10/11	IDK	E-mails with client re various correspondence with Debtor's counsel on loans to Sedona and its chapter 11 and issues relating to our chapter 11 and related potential Sedona deal and term sheet re Sedona and consider solutions (.8); E-mail to client re initial feedback re same (.3).	1.10	825.00	\$907.50
03/11/11	EMB	Coordination with legal assistant re preparing additional "litigation hold" letters.	0.30	695.00	\$208.50
03/11/11	EMB	Email G. Caudill, L. Rogers, N. Gonfiantini and G. Lyon re obtaining contact information for additional proposed recipients of litigation hold letters.	0.40	695.00	\$278.00
03/11/11	EMB	Email K. Thomas re additional litigation hold letters.	0.20	695.00	\$139.00
03/11/11	EMB	Review email from K. Thomas and attachment / spreadsheet with additional proposed recipients of litigation hold letters in re D&O claims.	0.30	695.00	\$208.50
03/14/11	EMB	Review litigation "hold" letter in light of comments from K. Thomas, and prepare litigation "hold" letters for	0.50	695.00	\$347.50

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		additional recipients identified by Committee.			
03/15/11	EMB	Review and respond to email from L. Rogers in re additional addresses / contact information for additional litigation hold letters.	0.30	695.00	\$208.50
03/15/11	EMB	Prepare additional litigation hold letters to recipients identified by Committee and coordination of sending additional litigation hold letters to multiple additional parties.	1.20	695.00	\$834.00
03/15/11	EMB	Email K. Thomas re additional litigation hold letters.	0.20	695.00	\$139.00
03/24/11	IDK	E-mail with DB counsel re its concerns on logistics of foreclosure on Nadador, and consider (.3); E-mails with client, CRO re payoff demand issue on Livingstone loan and need for USB sign off (.3).	0.60	825.00	\$495.00
03/31/11	IDK	E-mails with client, S. Armstrong re payoff of William Long loan and USB need to execute reconveyance (.2); Emails with Imperial, others re Gonzalez and Desert Land priority (.2).	0.40	825.00	\$330.00
Task Code Total			9.30		\$6,814.50

Plan & Disclosure Stmt. [B320]

03/01/11	IDK	E-mails with Northlight counsel and Imperial re upcoming call today and Northlight's clarifications to its mark-up and review of same prior to call (.5); Attend conference call re same with Northlight group and Imperial re issues and concerns on its proposed new deal (.6); Telephone conference with Imperial re results of call (.1); Review and comment on Northlight's subsequent mark-up with new options if DB rejects deal (.2); E-mails and telephone conference with Imperial re its draft response to same and review same (.4).	1.80	825.00	\$1,485.00
03/01/11	IDK	E-mails with S. Armstrong re Northlight plan term sheet and break up fee issue (.2); E-mails with Imperial re potential counter to Northlight and its e-mail to DB and to Northlight re new incentive fee structure (.2).	0.40	825.00	\$330.00
03/02/11	IDK	Review and consider memo fro Northlight counsel re his comments today on latest exit term sheet draft (.2); Telephone conferences with Imperial re same and how to respond (.2); Telephone conferences and e-mails with Northlight and Imperial re Northlight's reaction to CRO's comments to court re Northlight deal and Northlight's problems with same and need for call tomorrow (.4).	0.80	825.00	\$660.00
03/03/11	IDK	E-mails with subdebt counsels re Plan of Reorganization and Disclosure Statement documents and organize.	0.40	825.00	\$330.00
03/03/11	IDK	Prepare for call with Northlight, others on newest proposal re Northlight (.2); Attend conference call with Northlight, Imperial re same and how deal should change and cash flow issues post-effective date (.8); E-mails with N. Gonfiantini and others re SFC servicing system and costs to transfer to Northlight (.2); E-mails and telephone conferences with imperial re its new term sheet mark-up of today and my feedback of same (.4); E-mails with	1.80	825.00	\$1,485.00

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		Northlight and Imperial re same and removal of various conditions (.2).			
03/04/11	IDK	E-mails with Northlight team, Imperial, CRO and others re various issues in new term sheet on management and asset fees and need to clarify (.6); Review and consider revised Northlight term sheet and how it addresses funding of insider litigation (.4); E-mails with Northlight, client re getting due diligence documents from Northlight and verifying costs of due diligence and breakdown of prior payment re DIP vs Exit (.4).	1.40	825.00	\$1,155.00
03/04/11	IDK	E-mails with Northlight, Imperial re further changes today on Northlight term sheet and changes and conditions (.3); E-mails with Imperial over weekend re same and impact on subdebt and plan issues re same (.4).	0.70	825.00	\$577.50
03/07/11	IDK	E-mails with T. Newmark re issues on Taberna subordination provisions (.2); Review and consider Phil P. notes on Northlight new term sheet (.2).	0.40	825.00	\$330.00
03/07/11	IDK	E-mails with Imperial re status of Northlight term sheet negotiation and form of sub-debt and others (.4); E-mail with CFO re Northlight payment of due diligence (.1); E-mails with Northlight and Imperial re Northlight's due diligence visit to Reno (.3).	0.80	825.00	\$660.00
03/07/11	IDK	E-mails with Imperial re latest version of Northlight term sheet (.2); E-mails with sub-debt re same (.1); E-mails and telephone conferences with Imperial re McFadden potential call and issues on the DB Taberna subordination provisions and impact on plan waterfall (.4).	0.70	825.00	\$577.50
03/07/11	VAN	Review subordinated note indenture regarding subordination provisions	0.20	625.00	\$125.00
03/09/11	IDK	Telephone conferences and e-mails with Imperial re its communications with Taberna re Northlight plan and liquidation analysis and settlement negotiations (.4); Review and consider Imperial's extensive liquidation analysis and note issues (.4); E-mails with T. Newmark re need for status order and exclusivity extension and calendar (.2); E-mails with Imperial re Northlight extensive due diligence demands and possible need for attorney in Reno next week re same and review Northlight e-mails re same (.5); E-mails and office conference with attorneys re issue of separate classification of subdebt (.5).	2.00	825.00	\$1,650.00
03/09/11	IDK	E-mails with Imperial re further concerns on Northlight extensive due diligence (.2); E-mails and telephone conference with Imperial re problems in its liquidation analysis and how to fit and review and consider revised analysis (.5); E-mails with Imperial and CRO re same (.2).	0.90	825.00	\$742.50
03/09/11	JWL	Research regarding plan classification issues.	1.40	450.00	\$630.00
03/10/11	IDK	E-mails with Northlight team and client and Imperial re today's due diligence call re plan term sheet.	0.30	825.00	\$247.50
03/15/11	IDK	Telephone conferences with counsel to Northlight re its desire to restructure closing mechanism and take direct assignment of USB position (.4); E-mails with Imperial and Northlight re same (.3); E-mails with N. Gonfiantini re status of plan and latest version and changes to be made (.3); E-mails with Taberna counsel re its proposed changes to plan (.2).	1.20	825.00	\$990.00

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03/21/11	IDK	Review and begin to consider extensive markup to plan by Taberna (.4); Revise plan re same and numerous other changes re new Northlight deal (2.1); Telephone conference and e-mails with Imperial re same and DB treatment issues and need for exhibits re projections and liquidation analysis and Northlight strike prices (1.0).	3.50	825.00	\$2,887.50
03/21/11	IDK	E-mails with USB, Imperial, Northlight re due diligence and confidentiality and executed Northlight term sheet (.3); E-mails with T. Newmark re need to confirm issues on DB Indenture and right to vote claims (.3); E-mail Taberna re same (.1).	0.70	825.00	\$577.50
03/22/11	IDK	Telephone conference with imperial and client re Northlight values of release prices and how to resolve (.5); E-mails to same re potential workable structures re same (.2); E-mails with S. Armstrong re disclosure statement issues and new potential litigation (.2); E-mails with CRO, Imperial re FTI concerns and questions, including board approval (.2).	1.10	825.00	\$907.50
03/22/11	IDK	Continue with revising plan of reorganization with new structures and corporate governance (2.3); E-mails to client and others re same with revised plan (.3).	2.60	825.00	\$2,145.00
03/23/11	IDK	Telephone conferences with S. Armstrong re exclusivity extension and timing and changes to Plan and Disclosure Statement (.3); E-mail to Northlight re its written comments to revised Plan, including review and consider (.4); Telephone conference and e-mails with T. Newmark re exclusivity motion (.2); E-mails and telephone conference with Taberna counsel on its issues on revised plan sent yesterday (.6); Revise plan re feedback including from Taberna (1.2); E-mails with Northlight counsel re its feedback and desire call tomorrow and coordinate (.2); E-mails further with S. Armstrong and others on potential committee plan and timing (.2).	3.10	825.00	\$2,557.50
03/23/11	VAN	Draft fourth plan exclusivity extension motion	1.10	625.00	\$687.50
03/24/11	IDK	E-mails with Imperial re documents needed re disclosure statement (.2).	0.20	825.00	\$165.00
03/24/11	IDK	E-mails with client group re shareholder plan and nature of same (.2); E-mails with S. Armstrong re plan and Exhibit A to same (.2); E-mails with CRO and N. Gonfiantini and Pollack re Board approval for plan and disclosure statement (.2).	0.60	825.00	\$495.00
03/24/11	IDK	Further e-mails with client group and professionals re committee plan and status of disclosure statement approval method without hearing (.2); E-mails with Northlight counsel and Pollack re their feedback to revised plan (.2); E-mails with DB counsel re plan and open issues re governance and sale pricing (.3).	0.70	825.00	\$577.50
03/24/11	IDK	Continue revisions to plan re further feedback of parties in interest and from Northlight team (1.4); E-mails with S. Armstrong, others re court's hearing dates re disclosure statement and how to get earlier dates and possibly shorten time on disclosure statement (.3).	1.70	825.00	\$1,402.50
03/24/11	IDK	Memo to client group and professionals re my new revised plan and nature of changes and timing (.2); E-mails to Northlight, Taberna and DB re same (.3).	0.50	825.00	\$412.50

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03/25/11	IDK	E-mails with Imperial, client re Imperial drafts of base release prices re Northlight deal and plan (.3).	0.30	825.00	\$247.50
03/25/11	IDK	E-mails with Mountain Funding re plan and timing.	0.20	825.00	\$165.00
03/25/11	IDK	E-mails with S. Armstrong, T. Newmark re status of exclusivity extension motion and timing of plan and disclosure statement filing today (.2); Review S. Armstrong changes to plan and e-mails re same (.4); E-mails and telephone conferences with Taberna counsel re their further issues re plan and changes for next round (.5); E-mails with n. Gonfiantini, CRO, S. Armstrong re Board approval and getting plan filed (.2).	1.30	825.00	\$1,072.50
03/26/11	IDK	Numerous e-mails with client, Imperial, Northlight and Mountain Funding re committee plan and nature of and impact on Northlight (.5); E-mails with client and Imperial re release prices and call today re same (.3); E-mails with Esterkin re same (.1); E-mails with USB counsel on 3/27 re committee plan (.4).	1.30	825.00	\$1,072.50
03/28/11	IDK	E-mails with Northlight and Attend conference call with Northlight group on committee plan and problems re Northlight plan and administrative claims (.7); E-mails with Northlight and Imperial re different proposals on release prices (.3).	1.00	825.00	\$825.00
03/28/11	IDK	Telephone conferences with Imperial re Committee plan and reactions of parties in interest and need for Disclosure Statement exhibits (.2); E-mails with Northlight re Committee plan and need for call today and coordinate (.2); E-mails with S. Armstrong re Disclosure Statement issues and WORD and changes (.2).	0.60	825.00	\$495.00
03/29/11	IDK	E-mails with Northlight counsel and USB re Northlight due diligence costs and CA with USB (.2); E-mails with Imperial and client re timing on plan projections and release price issues (.3).	0.50	825.00	\$412.50
03/30/11	IDK	Telephone conferences and e-mails with Imperial re DB feedback on plan governance (.3); E-mails with Taberna counsels re their request to reschedule call (.1); Emails with Imperial, then Esterkin re coordinate call with DB re plan (.2); Emails with Imperial re questions on projection re liquidation scenarios (.2); E-mails with Mountain Fund, Imperial re due diligence questions (.2).	1.00	825.00	\$825.00
03/31/11	IDK	Telephone Esterkin re his issues (.1); E-mails with Imperial re result of call and next steps and consider (.2); Telephone conferences with counsel for Taberna re plan issues (.1).	0.40	825.00	\$330.00
Task Code Total			37.60		\$30,235.00

Stay Litigation [B140]

03/01/11	IDK	Consider options on potential settlement with CNB on relief from stay and e-mails to Imperial, CRO, N. Gonfiantini re same and treatment of CNB in Plan, and terms of potential settlement (.7); Telephone conference and e-mails with T. Newmark re same and what to	1.90	825.00	\$1,567.50
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		communicate to CNB and its initial feedback (.4); Further telephone conferences and e-mails with Debtor and CRO re issues on potential deal and sale timing and impact of CNB notice of default (.6); E-mails with T. Newmark re same and further CNB feedback (.2).			
03/01/11	IDK	E-mail with CFO re Waterfront financials (.1); Further e-mails and telephone conferences with N. Gonfiantini separately on impact of deal with CNB on case, plan and getting title to Waterfront to Debtor and ST through a deed in lieu or foreclosure and timing of same (.5); E-mails to T. Newmark re same and authority of CNB deal and CNB feedback (.2).	0.80	825.00	\$660.00
03/03/11	IDK	Review numerous emails with CNB and others on form of order for relief and my feedback on discovery issues and timing.	0.30	825.00	\$247.50
03/11/11	IDK	E-mails with CNB counsel and T. Newmark re form of order for stay motion and finalizing.	0.20	825.00	\$165.00

Task Code Total**3.20****\$2,640.00****Travel**

03/01/11	IDK	Nonworking travel to Reno for 3/2 hearing. (Billed 1/2 normal rate)	1.80	412.50	\$742.50
03/02/11	IDK	Non-working travel from Reno to Los Angeles from hearing. (Billed 1/2 normal rate)	2.00	412.50	\$825.00

Task Code Total**3.80****\$1,567.50****Total professional services:****96.20****\$74,232.50****Costs Advanced:**

03/01/2011	AT	Auto Travel Expense [E109] Taxi Service, IDK (LA-pc)	\$30.00
03/01/2011	PAC	80662.00002 PACER Charges for 03-01-11	\$6.88
03/01/2011	RE	(DOC 165 @0.20 PER PG)	\$33.00
03/01/2011	RE	(DOC 322 @0.20 PER PG)	\$64.40
03/01/2011	RE	(DOC 420 @0.20 PER PG)	\$84.00
03/01/2011	RE2	SCAN/COPY (1 @0.10 PER PG)	\$0.10
03/01/2011	RE2	SCAN/COPY (1 @0.10 PER PG)	\$0.10
03/01/2011	RE2	SCAN/COPY (3 @0.10 PER PG)	\$0.30
03/01/2011	RE2	SCAN/COPY (32 @0.10 PER PG)	\$3.20
03/01/2011	RE2	SCAN/COPY (54 @0.10 PER PG)	\$5.40
03/01/2011	RE2	SCAN/COPY (56 @0.10 PER PG)	\$5.60
03/01/2011	RE2	SCAN/COPY (585 @0.10 PER PG)	\$58.50
03/02/2011	AF	Air Fare [E110] Southwest Airlines, Tkt 262158818, RNO/LAX (Hearing 3/2), IDK	\$210.70

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03/02/2011	HT	Hotel Expense [E110] Peppermill Hotel, 1 night (3/1), IDK	\$82.54
03/02/2011	PAC	80662.00002 PACER Charges for 03-02-11	\$4.80
03/02/2011	TE	Travel Expense [E110] Travel Agent Fee for Return Trip, IDK	\$45.00
03/03/2011	AP	LAX Airport Parking, IDK	\$57.00
03/03/2011	PAC	80662.00002 PACER Charges for 03-03-11	\$6.00
03/04/2011	CC	Conference Call [E105] CourtCall 3/01/2011 through 3/31/2011	\$37.00
03/04/2011	CC	Conference Call [E105] CourtCall 3/01/2011 through 3/31/2011	\$37.00
03/04/2011	PAC	80662.00002 PACER Charges for 03-04-11	\$2.72
03/04/2011	RE2	SCAN/COPY (22 @0.10 PER PG)	\$2.20
03/07/2011	PAC	80662.00002 PACER Charges for 03-07-11	\$4.96
03/07/2011	RE2	SCAN/COPY (21 @0.10 PER PG)	\$2.10
03/08/2011	PAC	80662.00002 PACER Charges for 03-08-11	\$15.76
03/09/2011	WL	80662.00002 Westlaw Charges for 03-09-11	\$150.60
03/11/2011	PAC	80662.00002 PACER Charges for 03-11-11	\$3.68
03/14/2011	PO	80662.00002 :Postage Charges for 03-14-11	\$11.08
03/14/2011	PO	80662.00002 :Postage Charges for 03-14-11	\$0.44
03/14/2011	RE	(CORR 4 @0.20 PER PG)	\$0.80
03/14/2011	RE2	SCAN/COPY (2 @0.10 PER PG)	\$0.20
03/14/2011	RE2	SCAN/COPY (2 @0.10 PER PG)	\$0.20
03/15/2011	PAC	80662.00002 PACER Charges for 03-15-11	\$2.64
03/15/2011	PO	80662.00002 :Postage Charges for 03-15-11	\$177.28
03/15/2011	PO	80662.00002 :Postage Charges for 03-15-11	\$1.90
03/15/2011	PO	80662.00002 :Postage Charges for 03-15-11	\$6.10
03/15/2011	RE2	SCAN/COPY (38 @0.10 PER PG)	\$3.80
03/15/2011	RE2	SCAN/COPY (45 @0.10 PER PG)	\$4.50
03/15/2011	RE2	SCAN/COPY (48 @0.10 PER PG)	\$4.80
03/15/2011	RE2	SCAN/COPY (49 @0.10 PER PG)	\$4.90
03/15/2011	RE2	SCAN/COPY (49 @0.10 PER PG)	\$4.90
03/15/2011	RE2	SCAN/COPY (51 @0.10 PER PG)	\$5.10
03/15/2011	RE2	SCAN/COPY (65 @0.10 PER PG)	\$6.50
03/21/2011	PAC	80662.00002 PACER Charges for 03-21-11	\$11.12
03/21/2011	RE2	SCAN/COPY (3 @0.10 PER PG)	\$0.30
03/21/2011	RE2	SCAN/COPY (23 @0.10 PER PG)	\$2.30
03/21/2011	RE2	SCAN/COPY (45 @0.10 PER PG)	\$4.50
03/21/2011	RE2	SCAN/COPY (46 @0.10 PER PG)	\$4.60
03/22/2011	RE2	SCAN/COPY (1 @0.10 PER PG)	\$0.10
03/22/2011	RE2	SCAN/COPY (38 @0.10 PER PG)	\$3.80
03/22/2011	RE2	SCAN/COPY (43 @0.10 PER PG)	\$4.30
03/22/2011	RE2	SCAN/COPY (44 @0.10 PER PG)	\$4.40
03/22/2011	RE2	SCAN/COPY (44 @0.10 PER PG)	\$4.40
03/22/2011	RE2	SCAN/COPY (44 @0.10 PER PG)	\$4.40

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03/22/2011	RE2	SCAN/COPY (45 @0.10 PER PG)	\$4.50
03/22/2011	RE2	SCAN/COPY (45 @0.10 PER PG)	\$4.50
03/23/2011	PAC	80662.00002 PACER Charges for 03-23-11	\$3.44
03/23/2011	RE2	SCAN/COPY (44 @0.10 PER PG)	\$4.40
03/23/2011	RE2	SCAN/COPY (52 @0.10 PER PG)	\$5.20
03/23/2011	SO	Secretarial Overtime, G. Downing	\$36.93
03/24/2011	RE2	SCAN/COPY (44 @0.10 PER PG)	\$4.40
03/24/2011	RE2	SCAN/COPY (45 @0.10 PER PG)	\$4.50
03/24/2011	SO	Secretarial Overtime, G. Downing	\$73.85
03/28/2011	RE2	SCAN/COPY (3 @0.10 PER PG)	\$0.30
03/28/2011	RE2	SCAN/COPY (46 @0.10 PER PG)	\$4.60
03/28/2011	RE2	SCAN/COPY (46 @0.10 PER PG)	\$4.60
03/28/2011	RE2	SCAN/COPY (89 @0.10 PER PG)	\$8.90
03/28/2011	RE2	SCAN/COPY (89 @0.10 PER PG)	\$8.90
03/30/2011	RE2	SCAN/COPY (23 @0.10 PER PG)	\$2.30
03/30/2011	RE2	SCAN/COPY (25 @0.10 PER PG)	\$2.50
03/31/2011	RE2	SCAN/COPY (3 @0.10 PER PG)	\$0.30
03/31/2011	RE2	SCAN/COPY (28 @0.10 PER PG)	\$2.80

Total Expenses:

\$1,409.82**Summary:**

Total professional services \$74,232.50

Total expenses \$1,409.82

Net current charges \$75,642.32

Net balance forward \$238,288.99

Total balance now due \$313,931.31

EMB	Bender, Ellen M.	11.70	695.00	\$8,131.50
IAWN	Nasatir, Iain A. W.	0.90	725.00	\$652.50
IDK	Kharasch, Ira D.	3.80	412.50	\$1,567.50
IDK	Kharasch, Ira D.	73.60	825.00	\$60,720.00
JWL	Lucas, John W.	1.40	450.00	\$630.00
PJJ	Jeffries, Patricia J.	1.10	235.00	\$258.50
SEM	McFarland, Scotta E.	0.80	575.00	\$460.00
VAN	Newmark, Victoria A.	2.90	625.00	\$1,812.50
		<u>96.20</u>		<u>\$74,232.50</u>

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Task Code Summary

		Hours	Amount
BL	Bankruptcy Litigation [L430]	9.00	\$6,947.00
CA	Case Administration [B110]	1.10	\$258.50
CO	Claims Admin/Objections[B310]	1.90	\$1,322.50
CP	Compensation Prof. [B160]	1.00	\$825.00
FF	Financial Filings [B110]	0.80	\$460.00
FN	Financing [B230]	1.70	\$1,376.50
GB	General Business Advice [B410]	24.10	\$19,882.50
GC	General Creditors Comm. [B150]	1.70	\$1,181.50
IC	Insurance Coverage	1.00	\$722.00
OP	Operations [B210]	9.30	\$6,814.50
PD	Plan & Disclosure Stmt. [B320]	37.60	\$30,235.00
SL	Stay Litigation [B140]	3.20	\$2,640.00
TR	Travel	3.80	\$1,567.50
		<hr/> 96.20	<hr/> \$74,232.50

Expense Code Summary

Air Fare [E110]	\$210.70
Airport Parking	\$57.00
Auto Travel Expense [E109]	\$30.00
Conference Call [E105]	\$74.00
Hotel Expense [E110]	\$82.54
Pacer - Court Research	\$62.00
Postage [E108]	\$196.80
Reproduction Expense [E101]	\$182.20
Reproduction/ Scan Copy	\$208.20
Overtime	\$110.78
Travel Expense [E110]	\$45.00
Westlaw - Legal Research [E106]	\$150.60
	<hr/> \$1,409.82